UNITED WAY OF THE RIVER CITIES, INC.

2024

Annual Financial Report

UNITED WAY OF THE RIVER CITIES, INC.

TABLE OF CONTENTS

Page

MANAGEMENT'S REPORT 1

INDEPENDENT AUDITOR'S REPORT 2

FINANCIAL STATEMENTS:

Statement of Financial Position 4

Statement of Activities 5

Statements of Functional Expenses 6

Statement of Cash Flows 8

Notes to Financial Statements 9

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 18

UNITED WAY
River Cities

Management's Report
United Way of the River Cities, Inc.
07/01/2023 to 06/30/2024 Financial Statements

The United Way of the River Cities, Inc. (UWRC) is responsible for the preparation, integrity and fair presentation of its published financial statements. UWRC management is responsible for the reliability and objectivity of the financial statements. The statements have been prepared in conformity with accounting principles generally accepted in the United States of America and, as such, include amounts based on informed estimates and judgments of management.

The Board of Directors, operating through its Finance Committee, provides oversight of the financial reporting process and safeguarding of assets against unauthorized acquisition, use, or disposition.

UWRC maintains a system of internal control over financial reporting and over safeguarding of assets which is designed to provide reasonable assurance to management, the Finance Committee, and the Board of Directors regarding the preparation of reliable published financial statements.

I, Jedd T. Flowers, Executive Director, and I, David L. Carter, Director of Finance, certify that:

1. We have reviewed these financial statements;
2. Based on our knowledge, the statements do not contain any untrue statement of a material fact, nor do they omit a material fact;
3. Based on our knowledge, the financial statements fairly present in all material respects the financial position, results of operations, changes in net assets, and cash flows of the United Way of the River Cities, Inc.; in accordance with accounting principles generally accepted in the United States of America.
4. We are responsible for establishing and maintaining a system of internal controls and procedures;
5. We are responsible for disclosing any significant deficiencies and material weaknesses in the internal controls over financial reporting, and any known fraud or allegations of fraud that involves management or other employees, of which we are not aware of any such conditions existing for the twelve (12) months ended June 30, 2024.

As of June 30, 2024, the United Way of the River Cities, Inc. believes its system of internal controls over financial reporting was effective for providing reliable financial statements.

Signed:

Jedd T. Flowers
Executive Director

David L. Carter
Director of Finance

HESS, STEWART & CAMPBELL, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

940 Fourth Avenue
Huntington, West Virginia 25701
P: (304) 523-6464 F: (304) 523-4395

122 E. Main Street
Beckley, WV 25801
P: (304) 255-1978
F: (304) 255-1971

915 Jefferson Street N.
Lewisburg, WV 24901
P: (304) 255-1978
F: (304) 255-1971

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of the River Cities, Inc.
Huntington, West Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Way of the River Cities, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of the River Cities, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of the River Cities, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of the River Cities, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit on order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of the River Cities, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of the River Cities, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025, on our consideration of United Way of the River Cities, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of the River Cities, Inc.'s internal control over financial reporting and compliance.

Huntington, West Virginia
March 25, 2025

UNITED WAY OF THE RIVER CITIES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

ASSETS

	2024	2023
CURRENT ASSETS		
Cash	$ 551,287	$ 503,512
Investment reserve portfolio	922,923	1,271,352
Grants receivable	12,247	28,422
Pledges receivable, net of allowance for uncollectible pledge of $15,950 and $43,264 in 2024 and 2023, respectively (Note 7)	210,464	283,805
Other receivables	-	3,492
Prepaid expenses	19,973	21,253
TOTAL CURRENT ASSETS	1,716,894	2,111,836
PROPERTY AND EQUIPMENT		
Land	260,000	260,000
Building and fixtures	539,526	539,526
Furniture and fixtures	112,829	110,576
Computers, equipment, software	240,418	224,002
Less: accumulated depreciation	(609,079)	(574,747)
PROPERTY AND EQUIPMENT, NET	543,694	559,357
LONG-TERM ASSETS		
Beneficial interest - perpetual trust	470,818	430,803
TOTAL ASSETS	$ 2,731,406	$ 3,101,996

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 34,289	$ 175,750
Agency audits payable	12,900	12,900
Accrued expenses	25,772	27,553
Refundable advances	97,674	104,630
TOTAL LIABILITIES	170,635	320,833
NET ASSETS		
Without donor restrictions (Note 2)	2,088,341	2,348,748
With donor restrictions (Note 3)	472,430	432,415
TOTAL NET ASSETS	2,560,771	2,781,163
TOTAL LIABILITIES AND NET ASSETS	$ 2,731,406	$ 3,101,996

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

UNITED WAY OF THE RIVER CITIES, INC.
STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
SUPPORT AND REVENUES:		
Campaign pledges	$ 556,031	$ 745,872
Less: pass-through designations	-	(8,491)
Net campaign revenues	556,031	737,381
In-kind contribution	88,561	6,733
Gifts and bequests	72,902	235,995
Special events	3,145	1,365
Interest and dividend	31,343	25,671
Grants	438,481	556,875
Program service revenue	44,496	3,195
Other revenue	383	84
TOTAL SUPPORT AND REVENUES	1,235,342	1,567,299
EXPENSES:		
Program expense	1,149,032	507,758
Supporting services:		
Administrative expense	242,969	302,438
Marketing expense	91,910	106,102
Fundraising expense	141,745	235,493
TOTAL EXPENSES	1,625,656	1,151,791
REALIZED AND UNREALIZED GAINS ON INVESTMENTS	129,907	108,659
(DECREASE) / INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(260,407)	524,167
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Net gain from beneficial interest in perpetual trust	40,015	14,387
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	40,015	14,387
NET ASSETS AT BEGINNING OF PERIOD	2,781,163	2,242,609
NET ASSETS AT END OF PERIOD	$ 2,560,771	$ 2,781,163

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

UNITED WAY OF THE RIVER CITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	PROGRAM SERVICES						SUPPORTING SERVICES				
Functional Expense:	Community Impact	Education Initiative	Big Cover Up	Discretionary Fund	211 Call Center	Total Program	Fundraising	Marketing	Management & General	Total Support Services	TOTAL
Accounting Services	$ 12,900	$ -	$ -	$ -	$ -	$ 12,900	$ -	$ -	$ -	$ 0	$ 12,900
Advertising	7,249	-	-	-	-	7,249	209	7,319	2,752	10,280	17,529
Awards & Grants	515,447	-	27,520	-	-	542,967	-	-	-	-	542,967
Bank Service Fees	238	66	-	-	37	341	176	79	244	499	840
Campaign/Fundraising Expense	2,698	1,090	-	-	600	4,388	2,895	1,306	4,000	8,201	12,589
Contract Services	6,768	4,576	-	-	-	11,344	1,041	18,966	48,635	68,642	79,986
Depreciation	7,359	2,973	-	-	1,637	11,969	7,893	3,562	10,908	22,363	34,332
Dues, Membership & Subscription	4,250	-	-	-	-	4,250	128	794	4,691	5,613	9,863
Education & Training	372	96	-	-	54	522	254	115	351	720	1,242
Equipment Purchase/Repai	6,405	928	-	-	541	7,874	2,464	1,112	3,406	6,982	14,856
Fundraising/Processing Fees	405	164	-	-	90	659	435	196	601	1,232	1,891
General Supplies	837	338	-	-	186	1,361	898	405	1,242	2,545	3,906
In-Kind Expense	86,889	-	-	-	-	86,889	-	1,672	-	1,672	88,561
Insurance & Liability Bond	1,800	727	-	-	401	2,928	1,931	872	2,669	5,472	8,400
Janitorial Services	1,016	410	-	-	226	1,652	1,090	492	1,506	3,088	4,740
Maintenance - Facilities	2,713	1,096	-	-	603	4,412	2,910	1,313	4,022	8,245	12,657
Marketing Expense	267	1,362	-	-	-	1,629	1,219	3,055	-	4,274	5,903
Miscellaneous & Other	153	62	-	-	34	249	164	74	2,197	2,435	2,684
Office Supplies	2,214	261	-	-	144	2,619	692	312	957	1,961	4,580
Payroll Taxes & Fringe Benefits	48,912	13,211	-	-	9,858	71,981	20,946	9,453	28,944	59,343	131,324
Postage	66	4	12	-	1	83	685	16	902	1,603	1,686
Printing	59	125	-	-	13	197	62	28	86	177	373
Program Supplies	4,417	19,448	3,600	-	27	27,492	132	59	182	373	27,865
Property Taxes	4	2	-	-	1	7	4	2	5	11	18
Provision for Bad Debt	1,904	769	-	-	424	3,097	2,042	922	2,822	5,786	8,883
Refreshments for Meetings	1,888	1,625	-	-	-	3,513	3,462	95	311	3,868	7,381
Salaries & wages	179,447	79,049	-	-	40,940	299,436	75,671	34,150	104,569	214,390	513,826
Telephone/Internet	3,478	1,405	-	-	1,373	6,256	3,731	1,684	5,154	10,569	16,825
Tokens/Appreciation	935	-	-	-	-	935	2,061	0	-	2,061	2,996
Travel and Meetings	15,953	3,271	-	-	1,924	21,148	2,837	1,280	3,920	8,037	29,185
Utilities	2,012	813	-	-	448	3,273	2,158	973	2,981	6,113	9,385
UWW Membership Dues	3,285	1,327	-	-	731	5,343	3,523	1,590	4,869	9,982	15,325
Website maintenance	50	12	-	-	7	69	32	14	43	89	158
Total	$ 922,390	$ 135,210	$ 31,132	$ -	$ 60,300	$ 1,149,032	$ 141,745	$ 91,910	$ 242,969	$ 476,626	$ 1,625,656

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

UNITED WAY OF THE RIVER CITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services							Support Services				
Expense	General Campaign	Community Impact	Education Initiative	Big Cover Up	Discretionary Fund	Lawrence 211	Total Program	Fundraising	Marketing	Management & General	Total Support Services	Total
Accounting Services	$ -	$ 1,887	$ 1,094	$ -	$ -	$ 623	$ 3,604	$ 3,013	$ 1,239	$ 5,044	$ 9,296	$ 12,900
Advertising	-	5,815	-	-	-	-	5,815	10,741	6,530	2,260	19,531	25,346
Awards and Grants	(9,175)	34,328	2,373	15,000	200	1,351	44,077	6,535	2,688	10,941	20,164	64,241
Bank Service Fees	1,238	82	5	-	-	3	1,328	14	6	23	43	1,371
Campaign/Fundraising Expense	450	260	151	-	-	86	947	416	171	696	1,283	2,230
Contract Services	-	30,720	2,835	-	-	-	33,555	52,874	19,783	41,246	113,903	147,458
Depreciation	-	3,667	2,126	-	-	1,210	7,003	5,854	2,408	9,801	18,063	25,066
Dues, Memberships, & Subscriptions	-	2,354	-	-	-	-	2,354	811	1,144	3,336	5,291	7,645
Education & Training	-	699	391	-	-	222	1,312	1,075	442	1,801	3,318	4,630
Equipment Purchases/Repair	-	2,293	553	-	-	363	3,209	1,522	626	2,548	4,696	7,905
Fundraising/Processing Fees	2,338	-	-	-	-	-	2,338	-	-	-	-	2,338
General Supplies	-	784	455	-	-	259	1,498	1,252	515	2,097	3,864	5,362
In-Kind Expense	-	8,438	-	-	-	-	8,438	1,020	6,054	(8,333)	(1,259)	7,179
Insurance and Liability Bond	-	1,157	671	-	-	382	2,210	1,847	760	3,093	5,700	7,910
Janitorial Expense	-	650	377	-	-	214	1,241	1,037	427	1,735	3,199	4,440
Maintenance - Facilities	4,046	823	477	-	-	272	5,618	1,314	540	2,199	4,053	9,671
Marketing Expense	-	3,037	-	-	-	1,982	5,019	2,919	9,171	-	12,090	17,109
Miscellaneous & Other	-	189	110	-	-	62	361	302	124	505	931	1,292
Office Supplies	-	852	250	-	-	142	1,244	689	284	1,154	2,127	3,371
Payroll Taxes & Fringe Benefits	-	26,712	14,545	-	-	11,132	52,389	25,644	10,550	42,932	79,126	131,515
Postage	1,083	56	4	5	-	1	1,149	400	11	558	969	2,118
Printing	1,176	35	680	-	-	11	1,902	56	23	93	172	2,074
Program Supplies	-	10,847	8,197	-	-	2,113	21,157	10,223	4,206	17,115	31,544	52,701
Property Taxes	-	4	2	-	-	1	7	6	2	9	17	24
Provision for Bad Debt	12,542	-	-	-	-	-	12,542	-	-	-	-	12,542
Refreshments for Meetings	73	2,873	45	-	-	48	3,039	7,383	50	5,534	12,967	16,006
Salaries & Wages	-	133,606	78,399	-	-	41,777	253,782	81,550	33,550	136,529	251,629	505,411
Telephone/Internet	-	1,726	1,001	-	-	1,929	4,656	2,756	1,134	4,615	8,505	13,161
Tokens/Appreciation	-	1,087	-	-	-	-	1,087	5,335	-	-	5,335	6,422
Travel and Meetings	-	14,612	1,514	-	-	1,287	17,413	2,666	1,097	4,464	8,227	25,640
Utilities	-	1,324	768	-	-	437	2,529	2,114	870	3,537	6,521	9,050
UWW Membership Dues	-	2,284	1,324	-	-	754	4,362	3,646	1,500	6,104	11,250	15,612
Website Maintenance	-	300	174	-	-	99	573	479	197	802	1,478	2,051
Total	$ 13,771	$ 293,501	$ 118,521	$ 15,005	$ 200	$ 66,760	$ 507,758	$ 235,493	$ 106,102	$ 302,438	$ 644,033	$ 1,151,791

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

UNITED WAY OF THE RIVER CITIES, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ (220,392)	$ 538,554
Adjustments to reconcile change in net assets		
to net cash provided by (used in) operating activities:		
Depreciation	34,332	25,066
Decrease / (Increase) in value of investment portfolio	348,429	(125,481)
(Gain) on the beneficial interest - perpetual trust	(40,015)	(14,388)
Decrease / (Increase) in pledges receivable	73,341	(80,599)
Decrease / (Increase) in other receivable	3,492	(3,448)
Decrease / (Increase) in grants receivable	16,175	(15,414)
Decrease / (Increase) in prepaid expenses	1,280	(4,138)
(Decrease) in grants payable	-	(526,831)
(Decrease) in designations payable	-	(624)
(Decrease) / Increase in accounts payable and accrued expenses	(143,242)	74,643
(Decrease) in refundable advances	(6,956)	(43,015)
NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES	66,444	(175,675)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(18,669)	(37,482)
CASH (USED) BY INVESTING ACTIVITIES	(18,669)	(37,482)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	47,775	(213,157)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	503,512	716,669
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 551,287	$ 503,512

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

UNITED WAY OF THE RIVER CITIES, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

United Way of the River Cities, Inc. (the Organization) is a local non-profit organization with a mission to connect its community with resources to reduce poverty and improve lives where everyone has the tools and opportunity to thrive. Working together, the Board of Directors, staff and volunteers employ multiple strategies to achieve the Organization's mission and vision. The Board oversees all aspects of the Organization, including funding decisions. The Organization works with funded partners and other organizations to address issues within four main Focus Areas – Education, Income, Health, and Safety Net Services. In addition to providing funding to funded partners, the Organization supports two initiatives:

- Volunteer Income Tax Assistance (VITA) – VITA is a community collaboration that seeks to end poverty in the community. VITA implements the IRS VITA program, which provides trained volunteers to complete tax returns for the income-qualifying individuals. The initiative also conducts youth and adult literacy trainings and workshops, and asset building activities to increase the financial stability of families in the region. The coalition consists of for-profit and non-profit organizations throughout the six-county service area.

- Education Initiative – UWRC's Education initiative is a community collaboration that works on a continuum to ensure that children succeed. Early childhood efforts focus on early brain development and preparing children for kindergarten through the Success by 6 and Brain Under Construction Zone programs. Education Matters addresses dropout prevention by focusing on successful transitions into middle and high school, and by deploying Americorps mentors in the middle schools to work with at-risk youth.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Campaign Funds

Annual campaigns are conducted to raise support for funded partners in the subsequent funding year. Grants/awards to funded partners approved prior to the funding year are deducted from the designated annual campaign support and are reported as liabilities until paid. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific pledges made.

Joint Costs

During the years ended June 30, 2024 and 2023, the Organization incurred joint costs for salaries and benefits and other costs for the fund raising campaign and the administration of said campaign. These costs were allocated to program, fund raising, marketing, and management and general expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities held within the investment portfolio with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains are reported as increases in unrestricted net assets in the reporting period in which the income and gains are recognized.

Beneficial Interest Perpetual Trust

The Organization's beneficial interest - perpetual trust is comprised of a 1986 donor established trust from which the Organization receives a percentage of the trust's income for its unrestricted use. The fair value of the Organization's beneficial interest in the perpetual trust is reported in the statement of financial position as net asset with donor restrictions.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation for financial reporting purposes is computed on the straight-line method over the estimated useful lives of the various assets between three and forty years.

Contributed Assets

Donations of miscellaneous items are recorded as contributions at their estimated fair value at the date of donation. It is the Organization's policy to imply a time restriction, based on the assets useful lives, on donations of property and equipment that are not restricted as to their use by the donor. Accordingly, those donations are recorded as increases in net assets with donor restrictions. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions each year for the amount of expense relating to the donation of the miscellaneous assets.

In-Kind Contributions

During the year ended June 30, 2024 and 2023, the value of in-kind contributions meeting the requirements for recognition in the financial statements were $88,561 and $6,733, respectively. In-kind contributions resulted from national advertising provided by United Way Worldwide.

Contributed Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition. The Organization receives more than 1,500 volunteer hours per year.

Functional Allocation of Expenses

The costs of providing United Way of the River Cities, Inc.'s various programs and supportive services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

United Way of the River Cities, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is classified by the Internal Revenue Service as other than a private foundation. The organization's Form 990, Return of Organization Exempt from Income Tax are subject to examination by the IRS, generally for three years after they were filed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Campaign Materials

The Organization uses campaign materials to promote its campaign and its programs among the audiences it serves. The costs of marketing and printing these campaign materials are expensed as incurred. During years ended June 30, 2024 and 2023, campaign materials cost $18,491 and $19,339, respectively.

NOTE 2 – NET ASSETS WITHOUT DONOR RESTRICTIONS

United Way of the River Cities, Inc.'s governing board has designated, from net assets without donor restrictions of $2,088,341 and $2,348,748, net assets for the following purposes as of June 30, 2024 and 2023:

	FY - 2024	FY - 2023
Investment in Property, Plant, and Equipment	$ 543,694	$ 559,357
UWRC Operations FY-2024-25	250,796	-
UWRC Operations FY-2023-24	-	457,510
Operation Reserve Fund (6 months operations)	810,804	791,484
Internal, Innovation, and Leverage Grants	35,783	35,783
TOTAL	$ 1,641,077	$ 1,844,134

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	FY2024	FY2023
Subject to expenditure for specific purposes:		
Expenditures as per PEP initiative	$ 1,613	$ 1,613
Subject to time restrictions:		
Beneficial interest in Trust	470,817	430,802
Total net assets with donor restrictions	$ 472,430	$ 432,415

NOTE 4 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by the donors.

NOTE 5 – METHOD USED FOR ALLOCATION ON STATEMENT OF FUNCTIONAL EXPENSES

To formulate the percent between various functions on the Functional Expense Report, the entity allocates the costs based on the percent of total overall salaries plus payroll taxes and fringe benefits going into each function.

NOTE 6 – DISCLOSURE ON LIQUIDITY AND AVAILABILITY

The entity has $1,696,921 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of $551,287, unrestricted investments of $922,923, grants receivable of $12,247, and net pledges receivable of $210,464. None of the above financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year to the balance sheet date. The grants, pledges and other receivable are subject to implied time restrictions but are expected to be collected within one year. The entity has a goal to maintain financial assets, which consist of cash on hand to meet 6 months of normal operating expenses, which are, on average, approximately $135,134 a month. The entity has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 7 - PLEDGES RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE PLEDGES

The allowance for uncollectible pledges is based on historical statistical information and management's judgment of uncollectible pledges for the current campaign year. The allowance for the 2023 campaign was calculated by using a sliding ten-year historical analysis. The allowance for the 2022 campaign was calculated by using a sliding ten-year historical analysis. Within this analysis consideration is given to the previous allowance booked plus subsequent write-offs to provide an actual write-off to pledges made. Management believes that the allowance will be adequate to absorb all withdrawn pledges.

As of June 30, 2024, pledges receivable and related allowances were as follows:

	2023 Campaign	2022 Campaign	Total
Pledges receivable	$ 226,369	$ 45	$ 226,414
Allowance for uncollectible pledges	(15,950)	-	(15,950)
NET PLEDGES RECEIVABLE	$ 210,419	$ 45	$ 210,464

As of June 30, 2023, pledges receivable and related allowances were as follows:

	2022 Campaign	2021 Campaign	Total
Pledges receivable	$ 306,087	$ 20,983	$ 327,070
Allowance for uncollectible pledges	(22,470)	(20,794)	(43,264)
NET PLEDGES RECEIVABLE	$ 283,617	$ 189	$ 283,806

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2024 and 2023, is summarized by major classification as follows:

	2024	
	Cost	Accumulated Depreciation
Land	$ 260,000	$ -
Buildings	539,526	307,932
Furniture and fixtures	112,829	100,055
Computers, equipment and software	240,418	201,092
Totals	$ 1,152,773	$ 609,079

	2023	
	Cost	Accumulated Depreciation
Land	$ 260,000	$ -
Buildings	539,526	294,524
Furniture and fixtures	110,576	96,481
Computers, equipment and software	224,002	183,742
Totals	$ 1,134,104	$ 574,747

Depreciation expense for the years ended June 30, 2024 and 2023, totaled $34,332 and $25,066, respectively.

NOTE 9 - TRANSFER OF ASSETS TO RECIPIENT ORGANIZATIONS

The Organization raises monies which helps support 26 programs of 24 Funded Partners throughout the Cabell, Wayne, Lincoln, and Mason Counties in West Virginia and Lawrence County in Ohio. The Organization includes these amounts in program expenses in the statement of activities for the respective year's campaign.

NOTE 10 - EMPLOYEE BENEFIT PLANS

403(b) Defined Contribution Plan

United Way of the River Cities, Inc. approved a Section 403(b) defined contribution plan in 2012. The plan covers all employees who are 21 years of age or older with one year of service eligibility measured from the first day of the year in which the employee has completed 1,000 hours of employment. The employer matches the employee's contribution to the plan up to 4% of the employee's salary. The employees become vested after three years of service. Total contributions to the plan including administrative costs were $9,784 and $10,200 for the years ended June 30, 2024 and 2023.

Medical Insurance (Premium Only Plan)

United Way of the River Cities, Inc. established in May 1991 a pre-tax medical insurance plan whereby health insurance premiums are deducted from employee's earnings before payroll taxes thus saving the employee federal and state income taxes as well as FICA taxes on the amount of the insurance premium withheld. All full-time employees electing health insurance coverage are eligible to participate. The Plan qualifies under Section 125 of the Internal Revenue Code.

NOTE 11 - RELATED ORGANIZATION

In an effort to offset campaign and administrative expenses with funds from other than campaign pledges, a separate entity was established through the contribution of securities by certain individuals, thus creating United Way of the River Cities Foundation, Inc.

During the years ended June 30, 2024 and 2023, no transfers from United Way of the River Cities, Inc. to the Foundation occurred. However, in 2024 and 2023, $292,342 and $385,000 were transferred from the Foundation to the United Way of the River Cities, Inc. The transfers were to help offset the administrative costs of the Organization.

NOTE 12 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances in checking, savings and money market accounts as well as certificate of deposits at various banking institutions throughout the Tri-State area in which it conducts its campaigns. Accounts at each institution are insured by the Federal Deposit Insurance Corporation.

The Organization at various times throughout the year, maintained deposits in excess of federally insured limits. Accounting Standards Codification Topic 825-10-50 identifies these items as a concentration of credit risk requiring disclosure regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality institutions. Bank balances on deposit June 30, 2024 and 2023, totaled $562,049 and $513,104, respectively.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of the aforementioned temporary cash investments and pledges receivable. Concentrations of credit risk with respect to pledges receivable are due to the contributors' dispersion across an economically analogous geographic area. A change in the economic climate could alter the collections of the current receivables and could affect the ability to raise funds for future campaigns.

NOTE 13 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization has a number of financial instruments, consisting of cash, pledges receivable and grants receivable, money market funds, and marketable securities. The Organization estimates that the fair value of these financial instruments at June 30, 2024 and 2023, does not materially differ from the aggregated carrying values of its financial instruments recorded in the accompanying statement of financial position.

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements).

NOTE 13 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Investments at June 30, 2024 and 2023, are reported at fair value in the accompanying statement of financial position using quoted prices in active markets for identical assets (Level 1). According to FASB ASC 820-10-35-58, if an organization will never be able to redeem its investment at the net asset value per share, as is the case in a perpetual trust, the measurement should be categorized as a Level 3 fair value measurement.

Assets at Fair Value on a Recurring Basis

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2024 and 2023, are as follows:

	Total	Fair Value Measurements Using		
	June 30, 2024	Level 1	Level 2	Level 3
Investments:				
Investment Reserve Portfolio				
Cash and cash equivalents	$ 922,923	$ 922,923	$ -	$ -
Other Assets:				
Beneficial interest-perpetual trust	470,818	-	-	470,818
Total	$ 1,393,741	$ 922,923	$ -	$ 470,818

NOTE 13 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	Total	Fair Value Measurements Using		
	June 30, 2023	Level 1	Level 2	Level 3
Investments:				
Investment Reserve Portfolio				
Cash and cash equivalents	$ 1,271,352	$ 1,271,352	$ -	$ -
Other Assets:				
Beneficial interest-perpetual trust	430,802	-	-	430,802
Total	$ 1,702,154	$ 1,271,352	$ -	$ 430,802

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels during the years ended June 30, 2024 and 2023.

Assets and Liabilities Recorded at Fair Value on a Nonrecurring Basis

The Organization has no assets or liabilities that are recorded at fair value on a nonrecurring basis.

NOTE 14 - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets, errors and omissions, injuries to employees; employees' health and life and natural disasters. The Organization manages these risks of loss through the purchase of various insurance policies. Additionally, numerous internal controls and policies and procedures are put in place to mitigate such risks.

NOTE 15 - BENEFICIAL INTEREST OF PERPETUAL TRUST

In 1986, a donor established a trust with a local bank naming the Organization as a beneficiary of the charitable trust upon the benefactors' death; payments from this trust started in 1996. Under terms of the split-interest agreement, the Organization is to receive 12.5% of the trust's income annually for its unrestricted use. The organization reports the interest in the trust using the fair value of the trust's assets as determined by quoted market price, with the fair value change reported as a change in beneficial interest - net assets with donor restrictions in the *statement of activities* which was ($40,015) and ($14,387) for the years ended June 30, 2024 and 2023, respectively. The measurement for a beneficial interest in a perpetual trust is categorized a Level 3 fair value measurement because the organization is not to receive the Trust's assets. The fair value of the trust is reported in the statement of financial position as beneficial interest in perpetual trust and as a net asset with donor restrictions. The organization recorded $15,369 and $23,658 unrestricted trust income in the years ended June 30, 2024 and 2023, respectively.

NOTE 16 – SUMMARY OF GRANT AGREEMENTS

The following summarizes grant awards which were active during the year ended June 30, 2024:

Federal Agency	Amount	Terms of Award
WV Department of Health and Human Resources	$24,000.00	10/01/2022 to 09/30/2023
WV Department of Health and Human Resources	$24,000.00	10/01/2023 to 09/30/2024
Department of Treasury-Internal Revenue Service	$60,000.00	10/01/2022 to 09/30/2023
Department of Treasury-Internal Revenue Service	$65,926.00	10/01/2023 to 09/30/2024

NOTE 17 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 25, 2025, which is the date these financial statements were available to be issued and has been determined that there are no additional adjustments and/or disclosures required.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

HESS, STEWART & CAMPBELL, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
940 Fourth Avenue
Huntington, West Virginia 25701
P: (304) 523-6464 F: (304) 523-4395

122 E. Main Street
Beckley, WV 25801
P: (304) 255-1978
F: (304) 255-1971

915 Jefferson Street N.
Lewisburg, WV 24901
P: (304) 255-1978
F: (304) 255-1971

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
United Way of the River Cities, Inc.
Huntington, West Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of the River Cities, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated March 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of the River Cities, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of the River Cities, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of the River Cities, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Huntington, West Virginia
March 25, 2025